

**NATIONAL ASSOCIATION OF STATE DIRECTORS  
OF VETERANS AFFAIRS**



**House Committee on Veterans' Affairs  
Subcommittee on Disability Assistance and Memorial Affairs  
Hearing**

*September 11, 2013*

*Presented by*

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*President, National Association State Directors of*

*Veterans Affairs*

*Commissioner, Alabama Department of Veterans Affairs*

## **INTRODUCTION**

Mr. Chairman and distinguished members of the committee, my name is Clyde Marsh, President of the National Association of State Directors of Veterans Affairs (NASDVA) and Director of the Alabama Department of Veterans Affairs. I am honored to present the collective views of the State Directors of Veterans Affairs for all 50 states, the District of Columbia, and five U.S. Territories on the implementation of the very important Fully Developed Claims (FDC) program. Here with me today are Les Beavers – Kentucky, past NASDVA President, and State Director, Randy Reeves – Mississippi.

Nationally, we are second only to U.S. Department of Veterans Affairs (USDVA) in providing services to veterans and our roles continue to grow. Our duties include honoring and working with all veterans and their family members and the various Veterans' Service Organizations (VSO) both within our states and nationally. We have a formal partnership with USDVA through a Memorandum of Understanding (MOU) with Secretary Shinseki signed in February 2012. The MOU pledges the two organizations to maintain effective communications, an exchange of ideas and information, identification of emerging requirements, and continuous reevaluation of existing veterans' programs to meet today's needs.

As governmental agencies, our Governors, State Boards and/or Commissions task their respective State Departments of Veterans Affairs (SDVA) with the responsibility of addressing the needs of our veterans and their families particularly in our role as advocates. We are charged with the duty of processing veterans' claims for disability compensation, pension and survivor benefits. On a daily basis, State Directors and their staffs are confronted with unique situations, which often need to be addressed in an urgent manner. As you well understand, delivery of meaningful services and support is best coordinated at the local level.

## **SUPPORT FOR FULLY DEVELOPED CLAIMS PROGRAM**

NASDVA strongly supports the concept, methodology and strategy undertaken by the Veterans Benefit Administration (VBA) in the current FDC Program as one of several means to reduce the current veterans' claim backlog while also reducing claims processing completion times. To help facilitate success of the FDC program, each state will endeavor to provide specific mission guidance, goals and checklists to increase both the quantity of submissions as well as the quality of claims. In addition to our association's support, to date over three-fourths of the states and territories have submitted individual letters to the Undersecretary for Benefits in support of FDC.

The FDC goal of providing a response to claimants within 90 days, which we strongly support, will go a long way toward reduction of the current claims backlog and give veterans a reasonable expectation on the time to process individual FDC claims. Transparency will be particularly important to ensure veterans' confidence in this process.

NASDVA is in complete agreement with the allowance within Public Law 112-154 that provides for up to a one-year retroactive effective date for awards of disability compensation. This change further creates confidence in the program since it negates the need for veterans to submit informal claims for the sole purpose of establishing “date of claim” affecting retroactive compensation payment(s). As advocates for veterans, we accept the responsibility of helping our veterans to understand that they are certifying to the truthfulness of the information and they are authorizing release of information necessary to enable a rating decision. Likewise, the submission on the VA EZ form(s) meets the requirement for “duty to notify” as required by Title 38 U.S.C. Sect. 503. It is understood that individual veterans, too, have a responsibility to submit all required evidence with their claim.

We believe all veterans, regardless of where they reside, should have equal access to federal and state benefits and services and that federal and state governments must collaborate to achieve this goal nationally. The local relationships between SDVAs and VSO offices with VA Regional Offices (VARO) are critical. Many areas of the country are still underserved due to veterans’ lack of information and awareness of their benefits. This directly impacts our veterans’ ability to effectively access the VA claims process.

The USDVA and SDVAs must continue to work together to reduce this inequity by reaching out to veterans with information and make every effort to assist them in filing FDCs. Steps should be taken to make disability processing less confusing, eliminate payment inequities and provide a foundation with appropriate incentives for injured veterans to return to a productive life.

### **FULLY DEVELOPED CLAIM PROCESS IN THE FIELD**

NASDVA recommends an increased role for SDVAs in the overall effort to manage and administer claims processing, regardless of whether the state uses state employees, nationally chartered veterans service organizations (VSO) and/or county veterans service officers (CVSO). Collectively, we have the capacity and capability to assist the Veterans Benefit Administration (VBA). Additionally, a collaborative effort should take place on the establishment of standards for training, testing, and accrediting service officers to include continuing education and performance standards. We can support VA in their “duty to assist” without diminishing our role as the veterans’ advocate.

USDVA needs to encourage veterans to use the assistance of SDVAs, VSOs and CVSOs in submitting all claims. Assistance from trained service officers will help ensure claims are submitted with all the supporting documentation necessary to support or substantiate the claim. This will help eliminate requests for clarification or missing information and reduce rejects/remands. The desired result will be expedited processing without distractions or delays due to process errors, incomplete files and missing information or medical documentation.

Over the past two years, several states have taken the lead in developing strategies and processes that have integrated the FDC process into their claims operations. One example that has yielded significantly positive results is the Texas Veterans Commission's (TVC) state funded initiative that included a 32 Veteran Service Officer "Strike Force" to help reduce the VA claims backlog and a 28 member team to file FDCs. Specifically:

- In August 2012, TVC dedicated over half of its Strike Force effort to the FDC process by creating the Fully Developed Claims Teams. Of the total Strike Force, 28 (dedicated) TVC Fully Developed Claims Team members work to ensure that newly filed claims are filed as FDCs.
- In May 2013, during its annual Spring Training Conference, TVC provided four (4) days of concentrated, in-depth training on FDCs to over 240 State and County Veterans Service Officers from around the state.
- To date, the TVC has submitted 8,868 claims to the VBA for processing as FDCs. TVC's efforts have yielded over 71% of FDCs in the Waco VARO and over 60% in the Houston VARO.

Similar efforts, of varying scope, are ongoing in states nationwide. It must be understood, however, that resources, legislative authority, organizational structure and operating procedures do vary significantly from state to state. To the degree they are individually able, NASDVA's member states are resolved to fully support the FDC process.

### **ITEMS CRITICAL TO SUCCESS OF FDC INITIATIVE**

As with any new program and/or initiative there are areas within the FDC process, including policy, where continued discussion, close coordination thoughtful monitoring will be required. NASDVA and its individual states appreciate and are committed to continued open dialogue and cooperation with individual State Regional Offices, VBA, USDVA and Congress to improve the process of serving our Nation's veterans. We ask that attention be given to the following areas:

- A component of the FDC process is the Disability Benefits Questionnaire (DBQs). DBQs need to be simplified and shortened for simple conditions.
  - DBQs are too complicated and lengthy, especially for simple conditions.
  - If physicians (including VA physicians) are refusing to complete them, as we frequently hear, then their value to the FDC process is lost.
- The FDC works because it provides incentive for veterans to take the time to ensure their claim is fully developed, prior to filing. In exchange veterans expect, in accordance with expectations set by VA, for the process to take less than 90 days. There is still work to be done on this. For example, although much progress has been made, in Texas the Houston VARO currently averages 101.3 days processing FDCs while the Waco VARO averages 130-145 days. In most states, the FDC process is comparatively new but the comparisons are very similar. NASDVA and USDVA must continue to be vigilant to ensure the

- process can meet the expectations of our veterans as submissions of FDCs increase.
- Our veterans have a reasonable expectation that once a claim is submitted and accepted as a FDC that it will remain in that process. USDVA must be committed to making sure veterans know, as soon as possible, their claim has been fully accepted as a FDC and they will have a decision in 90 days. We do recognize that there are legitimate reasons for exclusion from the process such as: the veteran needs non-federal evidence development, evidence received after FDC established, claimant declined FDC or VBA administrative reason (e.g. wrong form received, not signed, etc.). However it is critical that VBA promptly notify the veteran and his representative early in the process and that VBA be flexible in that process. A good example of flexibility is, as in the case of missed appointment, finding out why and making every effort to work with the veteran. However, we appreciate that in the event the claim is not eligible for FDC, there will be no harm to the veteran's claim as it will be processed as a normal claim.
  - E-Benefits makes it possible for veterans to file claims on their own.
    - The layout of the current E-Benefits website does not adequately convey the importance of representation in the claims process. VBA needs to encourage veterans to seek representation so that FDCs are filed properly.
    - VBA needs to ensure that the Stakeholder Enterprise Portal (SEP) within E-Benefits is working properly.
  - Outreach and training are critical to the success of the FDC Program. ROs have clearly been instructed to provide FDC training, as outlined in VBA Fast Letter 12-25 (revised 8-13-2013), to VSOs. This should also apply to SDVAs and CVSOs. Any future instructional Fast Letters should, specifically include SDVAs and CVSOs. FDC Program Coordinators at the ROs should also be responsible for outreach and training.
  - The Veterans Benefits Management System (VBMS) which is now in place nationally in all VAROs will take us from mountains of paper to a digital data claims system as well as provide instant connectivity and easier access. The full implementation of VBMS is vital to improvement of the claims process in general and to the FDC program specifically.

## **CONCLUSION**

Mr. Chairman and distinguished members of the VA committees, we respect the important work that you are doing to improve support to veterans who answered the call to serve our great country. State Directors of Veterans Affairs remain dedicated to doing our part, but we urge you to remember the increasing financial challenge that states face, just as you address the fiscal challenges at the national level. I would like to emphasize again, that we are partners with federal VA in the delivery of services and care to our nation's patriots. State Directors are veterans' advocates that help veterans receive support and essential benefits they have earned through their honorable service.

As procedures and policies are adopted within the FDC Program, NASDVA looks forward to participating as partners and requests to be involved in the rulemaking process with VBA and USDVA. Since FDC is an evolving program, we will continue to provide feedback for enhancement of the program, which will ultimately benefit affected veteran claimants. As you all are keenly aware, how well the FDC program is administered will mean nothing without continued funding for USDVA programs so that granted claims can be promptly paid.

Thank you for including NASDVA in these very important hearings.